



NEWS RELEASE

United States Department of Agriculture Rural Development
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\$19.7 Million Available To Assist in Value-Added Ventures

Lincoln, Neb., June 17--The United States Department of Agriculture (USDA) Rural Development is accepting competitive applications for \$13.2 million in grants to develop value-added agriculture business ventures and alternative sources of renewable energy and \$6.5 million in grants for establishing and operating centers for cooperative development.

The \$13.2 million offered through the Value-Added Agricultural Product Market Development Grant (VADG) program encourages independent producers of agricultural commodities to process their raw products into marketable, value-added goods, thereby increasing farm income.

The VADG program is open to eligible independent producers, agricultural producer groups, farmer or rancher cooperatives, and majority-controlled producer-based business ventures. Value-added products are those agricultural products, which gain value through processing, production, segregation or other means, or produce renewable energy on a farm or ranch.

The maximum allowable grant amount is \$500,000. Priority consideration will be given to grant applications that have at least 51 percent of project costs dedicated to planning activities for a bio-energy project. Matching funds are required for eligibility. Grant funds may be used to fund one of the following two: (1) planning activities needed to establish a viable value-added marketing opportunity for an agricultural product (e.g. conduct a feasibility study, develop a business or marketing plan); or (2) acquire working capital to operate a value-added business venture that will allow producers to better compete in domestic and international markets.

Applications must be received no later than July 30, 2004. Submit applications to DynAccSys Attn. Bitsy Keko, 101 Donner Drive, Oak Ridge, TN 37830. Email applications to VAPG@duncanltd.com. Detailed information about application and program requirements included in June 15, 2004 publication of Federal Register.

Rural Cooperative Development Grants (RCDG) totaling \$6.5 million are available to non-profit corporations and institutions of higher education. Of the total funds, \$1.5 million is reserved for small, minority producers that apply for assistance through their cooperative businesses. RCDGs facilitate the creation or retention of jobs in rural areas through the development of new rural cooperatives, value-added processing and other rural businesses.

The maximum grant that can be awarded is \$300,000. Priority award consideration given to applicants having a successful administrative track record, demonstrated expertise in providing technical assistance to rural areas and have the ability to retain business and generate

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opportunities to improve local economic conditions. In addition, an applicant's commitment and the commitment of local support contribute to its priority status. Matching funds are required for eligibility.

Applications for a RCDG must be received no later than July 26, 2004. Submit applications to Marc Warman, USDA-RBS-CS, 1400 Independence Avenue, SW., Stop 3250, Washington, DC 20250. For overnight deliveries use Room number 4016-South. Email application to cpgrants@usda.gov. Detailed information about application and program requirements in June 9, 2004 publication of Federal Register.

For further RCDG or VADG program information, an application package or assistance with grant applications, contact USDA Rural Development representatives Cyd Janssen-Chadron, (308) 432-4616; Mary Gambill-Ainsworth (402) 387-2242; or Karissa Hagedorn-Lincoln, 402-437-5735; Teresa Olander-Bloomfield, (402) 373-4914 and Cliff Kumm-Beatrice, 402-223-3125. The VADG application package can be found at:

<http://www.rurdev.usda.gov/rbs/coops/vadg.htm> and the RCDG application package at:
<http://www.rurdev.usda.gov/rbs/coops/rcdg/rcdg.htm>.

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